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5. The Communist authorities control the Shanghai General Labor Union which in turn controls the 37 trade unions, which in their turn control the 1800 or more branch unions embodying 938,457 workers, and also control the fate of more than 100,000 of other miscellaneous workers not yet organized. To make sure that their control is rigid, the Communist Shanghai General Labor Union has established liaison stations at Eastern, Western, and Central Shanghai, and at Zikawei. These liaison stations dispatch workers to supervise the local unions. This vertical control system, permitting no confusion or variation, is the only unified and consistent phenomenon which exists behind the Communist iron curtain.
6. The Communist Government has made no laws regulating labor movement. Communist leaders make the law as the need arises. The Shanghai People's Court before passing judgement find it necessary to consult the Communist Shanghai General Labor Union in cases involving disputes between capital and labor. On March 23, 1950, the Communist Government in Peiping called a conference of labor commissioners and discussed a provisional labor act but so far that act has not been promulgated.
7. All elections in labor unions are rigidly controlled, so that only candidates designated by the Communist can be successful. In the beginning, certain workers opposed this plan by silent withdrawal and attempted to effect free elections, but the Communists soon took the matter in hand and installed a system of election by delegates. Actually, both the delegates and the candidates were Communist designated or accepted persons.
8. Workers who under the Nationalist regime did not join labor unions are now required by the Communists to join. The procedure is for a worker to apply for union membership at the place where he is employed. His application is then considered by a sub-committee and reviewed by an executive committee and finally approved at an upper level. The names of the approved candidates are then posted so that members may make charges as to whether any have been "class rebels" before final acceptance. Sometime ago the Shanghai General Labor Union with the assistance of the Shanghai Military Control Commission, assembled 480 workers who had never joined unions and put them through a program of training aimed at "strengthening the feelings of workers as masters of society" and "elevating their political consciousness". At the completion of the training program, the workers were sent back to their places of employment and take up designated duties in labor union work.
9. Since July 1949 after the Communists had penetrated the public and private enterprises they proceeded to carry out various kinds of educational work to enlist members for the New Democracy Youth Corps. Membership in this Corps is equivalent to candidacy for membership in the Communist Party. The requirements are a clean political state and being a worker from the proletariat. At first, due to curiosity, many workers joined the Corps, but they very soon tired of the fatiguing indoctrination and the inconsistency between word and conduct on the part of the Communists. The New Democracy Youth Corps were organized in the various factories at about the same time as the new labor unions; and when the Communists began to be disliked by the populace, the Corps declined in favor.
10. In addition, there has been established in each factory a Labor Scout Corps, organized on a military pattern. The general headquarters of the Corps is a big organization including a chief of staff. The duties of the Labor Scout Corps are to attack former labor union elements, to arrest "class rebels", to obliterate the conditions caused by Nationalist bombings, and to eavesdrop on workers. Corps members are armed and include women.
11. The Communists do not trust their own workers and spare no time and energy in resorting to repetitious training programs in indoctrinating the workers of

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the entire municipality. Among these are:

- a. The Political Training Class: Twenty-five classes have been established, for members of the New Democracy Youth Corps. The training period is two weeks to a month. Total number of graduates as of March 1950 is 8,300. Subjects taught include: education in internationalism, Principles of the Joint Political Council, labor policy, class education, history of social development, the worker and the Chinese Communist Party, and labor union work. The method of teaching is for some-one first to give a lecture and then to raise questions for discussion on the next day. The various courses of instruction are supplemented with current topics and government decrees of the Communists. This type of training, however, has been only temporarily effective.
 - b. Special Lectures: These lectures are sponsored by the Association of Labor Educators which is organized by the faculty and staff of the Shanghai Experimental school for the Masses. This school was, even before the city fell into Communist hands, a training center for Communist labor movement workers. Its principal, Miss YU Ching-tang (俞慶棠), under the protection of Madame SUN Yat-sen, engaged in various subversive activities for the Communists. Since the fall of Shanghai, the faculty and staff as well as the alumni of this school, have carried on cultural and educational work for the Communists in order to promote Communist thinking.
 - c. Training Class of the Shanghai General Labor Union. This Class, organized by the Shanghai General Labor Union, is at the Shanghai Commercial College. Three sessions have been conducted. The first session was for workers from very small workshops. The second and third were more general. The content of the training is similar to that in the Political Training Class. Up to March 1950, the total number of graduates is 1,499 persons.
 - d. Training Class for Labor Union Workers: The first session lasted 25 days. Enrollment included the executive and standing committee members of the various levels of labor organization and workers of the Shanghai General Labor Union. One of the objectives is to examine and observe the trainees. The subject matter of the training program is similar to that in the Political Training Class, with the addition of two courses: the mass way and the mass viewpoints.
 - e. Training Class for Labor Teachers: Forty-seven persons have received this training, the training period being 44 days. Courses of instruction include: history of social development, survey and analysis of workers' thoughts, Principles of the Joint Political Council, labor union work, labor movement experiences, teaching methods, and special techniques.
12. In addition to the various training classes mentioned above, the Communists are planning to establish a political training class, a workers' staff training school, and a central study class in the East, West, and Central Shanghai districts, and in the Zikawei district. Recently the Communists have been promoting a movement for learning skills, and the Communist Central Government has ordered their workers to learn the management of industrial enterprises within the shortest possible time, in preparation for the taking over of factories and plants.
 13. According to statistics published by the Liberation Daily, from the time the Communists entered Shanghai to March 1950, there were over 400 cases of disputes between labor and capital. The largest number of these cases concerned the conversion of end-of-year bonuses into Victory bonds. Other cases arose from suspending operations, removing plants, etc. Most of the disputes resulted in labor, abandoning the Communist authorities and seeking settlement by dealing directly with capital.
 14. The Communists have been unable to move many of the industrial establishments of Shanghai. Small factories manufacturing pencils and matches, small textile

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and flour mills, and small plants making rubber goods, totaling thirty odd, have been moved to such places as northern Kiangsu, Honan, Hopei, Liaotung, Shensi, and Chahar. Most of the workers of these plants have steadfastly opposed the Communists in this matter of removing industrial establishments in spite of propaganda and oppression.

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